

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

AMERICAN INTERNATIONAL GROUP,)	
INC., <i>et al.</i> ,)	
)	
Plaintiffs,)	No. 07 CV 2898
vs.)	
)	District Judge Robert W. Gettleman
ACE INA HOLDINGS, INC., <i>et al.</i> ,)	
)	Magistrate Judge Sidney I. Schenkier
Defendants.)	

SAFECO INSURANCE COMPANY OF)	
AMERICA, et al., individually and on behalf)	
of a class consisting of members of the)	
National Workers Compensation Reinsurance)	No. 09 CV 2026
Pool,)	
)	District Judge Robert W. Gettleman
Plaintiffs,)	
vs.)	Magistrate Judge Sidney I. Schenkier
)	
AMERICAN INTERNATIONAL GROUP,)	
INC., <i>et al.</i> ,)	
)	
Defendants.)	

**SETTLEMENT CLASS PLAINTIFFS' AND AIG'S
JOINT MOTION FOR CLASS CERTIFICATION AND
PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT**

Settlement Class Plaintiffs ACE INA Holdings, Inc., Auto-Owners Insurance Co., Companion Property & Casualty Ins. Co., FirstComp Insurance Co., The Hartford Financial Services Group, Inc., Technology Insurance Co., and The Travelers Indemnity Company ("Settlement Class Plaintiffs"), and Defendant American International Group, Inc. and its present and former subsidiaries and affiliates named as parties herein (collectively referred to as "AIG"), by their respective undersigned counsel, hereby request that this

Honorable Court certify a class for purposes of settlement only, appoint class counsel, grant preliminary approval to a class action settlement in this matter, authorize notice to be sent to the members of the class, and schedule a final approval hearing. In support thereof, the Settlement Class Plaintiffs and AIG state as follows:

1. The Settlement Class Plaintiffs and AIG have reached an agreement for settlement (the "Settlement Agreement") of Case No. 09 CV 2026 and Case No. 07 CV 2898 (together, the "Action" or the "Case") after over three years of extensive litigation. A copy of the Settlement Agreement is attached hereto as Exhibit A.

2. The Settlement Class Plaintiffs' Complaint in Intervention (the "Complaint") seeks certification of a nationwide class of "Participating Companies" in the National Workers Compensation Reinsurance Pool ("NWCRP") and the New Mexico Workers Compensation Assigned Risk Pool ("NMWCARP") (collectively, the "Proposed Settlement Class") to assert claims based on AIG's alleged fraudulent underreporting of workers compensation premium and evasion of related financial obligations to the Participating Companies in the NWCRP and the NMWCARP. *See* D.E. # 319.

3. The Settlement Class Plaintiffs and AIG have executed a Settlement Agreement to resolve the Action presently pending before the Court. The Settlement Agreement provides the putative class with a significant portion of the relief sought by the Complaint, and will allow the putative class and AIG to avoid the considerable time and expense of continued litigation of this Case, in light of the inherent uncertainty that the putative class would be certified, and prevail at an eventual trial on the merits. Therefore, the proposed settlement is within the range of possible approval pursuant to Federal Rule of Civil Procedure 23(e).

4. The Settlement Class Plaintiffs and AIG thus request that the Court certify the proposed class for settlement purposes, and approve their plan to notify the class members of the proposed settlement by First Class U.S. Mail as well as publication notice -- the best notice practicable under the circumstances -- so that class members are given an opportunity to opt out of the class, or to voice any objections to the settlement at a later fairness hearing.

5. The Settlement Class Plaintiffs and AIG further request that this Court enter an order that the Settlement Class Plaintiffs are proper entities for appointment as representatives of the Class, and that Frederic R. Klein of Goldberg Kohn Ltd. is proper counsel to be appointed "Class Counsel."

6. Because the number of class members is in the many hundreds, the parties will, at the appropriate time, request that the Court appoint a company with experience providing class notice and administering settlements in class actions as the "Notice and Settlement Administrator."

WHEREFORE, for all of the foregoing reasons and the reasons stated in Settlement Class Plaintiffs' Memorandum of Law in Support of Joint Motion for Class Certification and Preliminary Approval of Class Action Settlement, Plaintiffs ACE INA Holdings, Inc., Auto-Owners Insurance Co., Companion Property & Casualty Ins. Co., FirstComp Insurance Co., The Hartford Financial Services Group, Inc., Technology Insurance Co., and The Travelers Indemnity Company, and Defendant American International Group, Inc., and its present and former subsidiaries and affiliates named as parties herein, respectfully request that this Court enter the Preliminary Approval Order attached to the Settlement Agreement as Exhibit A finding that:

- a. the Proposed Settlement Class should be conditionally certified;
- b. the Settlement Class Plaintiffs should be appointed as class representatives;
- c. Frederic R. Klein of Goldberg Kohn Ltd. should be appointed as Class Counsel;
- d. the proposed settlement is within the range of possible approval under Rule 23(e), thus warranting notice of the proposed settlement to the class and the scheduling of a fairness hearing;
- e. the proposed notice to class members by U.S. mail and publication is appropriate as to its content and methods of delivery; and
- f. at an appropriate time, the Court will appoint a qualified company to serve as the Notice and Settlement Administrator.

Dated: January 28, 2011

Respectfully submitted,

ACE INA HOLDINGS, INC., AUTO-OWNERS
INSURANCE CO., COMPANION PROPERTY &
CASUALTY INS. CO., FIRSTCOMP INSURANCE
CO., THE HARTFORD FINANCIAL SERVICES
GROUP, INC., TECHNOLOGY INSURANCE CO.,
and THE TRAVELERS INDEMNITY COMPANY

By: /s/ Frederic R. Klein
One of Their Attorneys

Frederic R. Klein
William C. Meyers
Kerry D. Nelson
GOLDBERG KOHN LTD.
55 East Monroe Street, Suite 3300
Chicago, Illinois 60603
(312) 201-4000

Respectfully submitted,

AMERICAN INTERNATIONAL GROUP, INC., *et al.*

By: /s/ Stephen Novack
One of Their Attorneys

Stephen Novack
Andrew D. Campbell
Rebekah H. Parker
NOVACK AND MACEY LLP
100 North Riverside Plaza
Chicago, IL 60606
(312) 419-6900

Michael B. Carlinsky
Kevin S. Reed
Jennifer J. Barrett
QUINN EMANUEL URQUHART
& SULLIVAN, LLP
51 Madison Avenue
22nd Floor
New York, NY 10010
(212) 849-7000